

China unveils new rules on ride-hailing drivers' rights

December 1 2021

Beijing has unveiled fresh rules on workers' rights in the ride-hailing industry—including better pay and breaks—as officials tighten oversight of China's embattled tech sector and gig economy.

The announcement comes on the heels of a wide-ranging regulatory clampdown on homegrown tech behemoths—including [e-commerce](#) titan Alibaba and [ride-hailing](#) giant Didi Chuxing—over issues including consumer rights, [data security](#) and monopolistic behaviour.

Under new guidelines released by the transport ministry, [drivers](#) at ride-hailing firms must not earn less than the local minimum wage and should be given access to [social insurance](#).

They should also not be "induced to work overtime" by chalking up orders to meet targets, the statement said, and companies must monitor employees' working hours and labour intensity.

It did not give specifics on what counted as overtime or adequate break times.

The rules could hit earnings for companies in the billion-dollar industry, which is a go-to service for many commuters in China's densely populated cities.

"This is a precursor to stricter enforcement, but that enforcement was always coming," Kendra Schaefer, head of tech policy research at

consultancy Trivium China, told AFP.

The [new guidelines](#) also stress that drivers must have the requisite permits for ride-hailing work—something which Schaefer estimates as many as 40 percent currently do not have.

With fresh pressure for "strict enforcement" of these rules, companies will have to whittle out private-hire drivers who do not meet licensing requirements.

Recruiting drivers who have the right permits would likely be the "biggest pitfall", added Schaefer, because there are "simply are not enough drivers".

"I actually think where they are going to be hit the hardest in their bottomline is in a driver war," she said.

China's gig economy accounts for almost a quarter of its workforce: 200 million people are in "flexible employment", according to government figures.

New York-listed Didi's app dominates China's ride-hailing market and claims to have over 15 million drivers with nearly 500 million users.

Didi has come under fire on multiple fronts with Chinese regulators reportedly asking executives last week to draw up a plan to delist from the United States over data concerns.

The guidelines also came after a ramp-up in labour protections for food delivery workers announced in July.

President Xi Jinping has this year embarked on a campaign of "common prosperity" designed to tackle wealth inequality and tighten oversight of

business giants.

© 2021 AFP

Citation: China unveils new rules on ride-hailing drivers' rights (2021, December 1) retrieved 29 April 2024 from

<https://techxplore.com/news/2021-12-china-unveils-ride-hailing-drivers-rights.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.